

Renewable Energy Transmission Initiative (RETI)
DRAFT Minutes of Stakeholder Steering Committee Meeting
October 29, 2007

The second meeting of the RETI Stakeholder Steering Committee was held at the California Energy Commission on October 29, 2007, 10:00 AM-3:00 PM. Attendees are listed in Appendix A below. The meeting was facilitated by Dave Olsen and Rich Ferguson of CEERT. Minutes were compiled by Dave Olsen and Merrisa Moore of CEERT.

Action Items

1. Each member send a 1-2 paragraph bio to Clare Laufenberg Gallardo: clausenb@energy.state.ca.us. Clare will circulate all SSC member bios to the committee before the next meeting. **Due November 16.**
2. Write a one-page statement of what your organization, or the class of stakeholders you represent, wants RETI to produce. Send these to Clare Laufenberg Gallardo as above, also **by November 16.**
3. Formation of CREZ Criteria Work Group. CEERT facilitators will convene this work group by conference call in November; it will report to the SSC December meeting. Members volunteering for this work group are listed below.
4. Comment on the list of existing reports the SSC consultant will use to compile Phase 1 resource and cost data: identify reports that should be added to this list, including studies that will be completed shortly; and recommend data that should receive priority attention. **Due Nov. 16.** This list was circulated at the meeting and is attached to these minutes.
5. Add SSC members. CEERT will invite a representative of each of these classes of stakeholders to join the SSC by its next meeting: US military, Independent Energy Producers; Regional Council of Rural Counties.
6. CEC to determine if classes of SSC stakeholders can use a page of the RETI website to share information. The CEC will report on this at the next SSC meeting.

Minutes

Committee members introduced themselves with brief statements of their experience and interests pertinent to RETI. Members will send a one-two paragraph bio to Clare Laufenberg Gallardo at the CEC by November 16; Clare will then circulate these. (Action Item #1)

Minutes of the September 20, 2007 SSC meeting were approved as read, upon motion by Gary Allen of SCE, seconded by Jim Lovekin of GeoThermex.

Roles and Responsibilities of RETI Committees

The Coordinating Committee has responsibility for ensuring that RETI produces information sufficient to support project approvals and policy decisions; and for coordinating CPUC, CEC, CAISO and POU activities in RETI. The Stakeholder Steering Committee directs RETI work. It has responsibility for identifying and ranking CREZ; planning transmission to access CREZ; finding sponsors for proposed transmission projects; and for building and

maintaining stakeholder participation in RETI, both on the SSC and through the Plenary Stakeholder Group (PSG). The SSC will report its progress to the PSG, and solicit input and perspectives from the PSG. It is important for SSC members to hear PSG stakeholder concerns directly and be available to talk in person with the PSG, and SSC members should attend PSG meetings.

Dariush Shirmohammadi requested that web pages be made available on the RETI website (www.energy.ca.gov/reti) for use by classes of stakeholders. SSC members could post information to help keep their constituents (wind generators, for example, in Dariush' case) informed about RETI progress. Clare Laufenberg Gallardo believes this should be possible; she will confirm and advise the SSC on how to set up such pages. (Action Item #6)

What Agencies/Stakeholders Need from RETI

CPUC (Traci Bone): The CPUC must approve procurement of the most cost-effective resources, considering both generation and transmission costs. It needs RETI to deliver a consensus ranking of CREZ by economic efficiency. Ideally, transmission projects proposed to access renewables will also improve reliability and make economic sense. RETI should aim to supply evidence to support CPUC decisions.

CEC (Chuck Najarian): The Energy Commission intends RETI to deliver better generation and transmission projects—ones that have broad support and fewer interveners; that are developed in consultation with all affected parties, including tribes where relevant; that take less time to approve; and that avoid rejection. RETI may provide candidate projects for the CEC corridor process.

Riverside (LeeAnn Uhler): As a CAISO PTO, Riverside can participate in joint projects and recover project costs in the CAISO TAC. LeeAnn will ask SCPPA/Bill Carnahan how RETI can be most useful to SCPPA and its members.

NCPA (Jim Pope): Because they need access to renewables to meet the purchase requirements of state law, POU's need RETI to deliver access to resources throughout the state. LADWP and SMUD/WAPA do not have enough resources in their control area footprints to satisfy their purchase needs.

SMUD (Mike DeAngelis): An economic ranking of renewable resources throughout the state will provide very helpful information to SMUD.

PG&E-transmission (Kevin Dasso): RETI should: 1) deliver consensus on a set of solutions for accessing renewables, with dissenting opinions recorded, and make the case for going forward with specific projects; 2) opportunity for entities to participate in ways that make sense for them, such as ownership options for POU's; 3) learn from ERCOT and other jurisdictions that have or are planning transmission to renewables-development zones; and 4) keep the flexibility to be able to move lines around in response to findings.

SCE-procurement (Gary Allen): Lack of transmission blocks the RPS, and the business-as-usual approach to transmission development can't deliver new infrastructure in scale with the need. The SCE Advice Letter (Gary was principal author) sought to get ahead of this problem; it spurred development of RETI. SCE needs RETI to deliver clarity on zones and ranking criteria. Rate recovery is a major concern.

SCE-transmission (Gary Tarplee): SCE needs RETI to help get stakeholders to understand the need for transmission projects. Vetting development issues early in the planning process pays dividends.

PG&E-procurement (Robert Jenkins): PG&E wants to ensure that RETI will not slow down on-going procurement activities, which must continue without waiting for RETI to produce plans for new transmission facilities over the next few years.

Counties/CSAC (Andy Horne): Counties, such as Imperial County, need RETI to help overcome jurisdictional obstacles to infrastructure projects. One RETI deliverable should be mechanisms for doing so.

Environmental NGOs (Carl Zichella): RETI should optimize development of generation and transmission infrastructure across POU and CAISO boundaries and avoid IOU-only and POU-only lines where separate facilities may be redundant or sub-optimal from both consumer and environmental points of view. The environmental community is not used to participating in the development of generation-transmission proposals, and doing so via RETI will test the groups' trust.

SDG&E-procurement (Laura Manz): RETI should not pre-empt development of facilities by private investors with private, non-ratepayer-based funding. RETI should seek to avoid development of overlapping projects built under competing initiatives (i.e., sponsored by competing jurisdictions).

By November 16: Every SSC member will prepare a one-page statement of what its organization or class of stakeholders needs RETI to deliver. This statement should specify the outcomes or deliverables that would make RETI most effective and useful. (Action Item #2)

Phase 1 Work

Rich Ferguson presented slides suggesting approaches to establishing the costs and benefits of generation and transmission projects. These slides are attached as a separate electronic file to these draft minutes.

RETI outcomes must be based on consistent data representing the costs and performance of each renewable generating technology. The CPUC is working to retain an engineering firm to compile this information. This consultant will assess the quantities of developable generating capacity for each technology and compile supply curves for each, using information from existing studies, updating it as necessary to reflect current project parameters, and data from projects in CAISO and POU queues. A list of existing reports that provide starting points for the consultant's analysis was distributed in the meeting; it is included as a separate electronic file with these minutes. SSC members should comment on this list of reports (Action Item #4) and also be prepared to provide additional data needed to compile a comprehensive, statewide baseline of information about generation and transmission project costs.

The consultant will work at the SSC's direction. The SSC will vet the consultant's data compilation and analysis to ensure consensus agreement on capital and operating costs, financing assumptions, output characteristics and other key parameters. The SSC will use the consultant's resource and technology supply curves in its designation and evaluation of CREZ.

CREZ Designation and Evaluation

Jim Lovekin requested the committee be provided maps showing resource areas, existing transmission and locations of projects of each technology in interconnection queues. BLM and

NREL maps indicate some environmental and constructability constraints, and BLM and the CEC have maps showing Section 368 (public lands) corridors in California. Together, such maps could provide the SSC a geographical orientation to CREZ siting; CEERT and CEC staff will collect and circulate them.

CREZ will be defined in part by generation supply curves; increasingly expensive projects can be aggregated in an area until adding another project makes the CREZ not cost-effective. Robin Smutny-Jones suggested the SSC give ideas for CREZ locations to the consultant. Jan Strack observed that how the CPUC and CAISO evaluate deliverability for renewable generation will strongly influence CREZ determination. Several members observed that projects in the ISO queue today chose sites close to existing transmission; identification of routings for new transmission could lead generators to develop projects in other areas. Kevin Dasso opined that it would be most effective for the SSC to develop CREZ criteria before the consultant begins work. Robert Jenkins observed that having the criteria first would enable the committee to make much more effective use of GIS mapping data layers. Several members expressed desire to learn from Texas and other states which have CREZ-type approaches to proactive transmission development underway; it was agreed that the next meeting would include a presentation on this. CEERT will send SSC members the presentation on the ERCOT CREZ program given at the Western Governors Association Renewables Summit in Ft. Collins on September 28, 2007.

Because of delays in the state contracting process, the consultant may not be able to begin Phase 1 analytical work until January 2008. The SSC decided that it could usefully begin consideration of the criteria now, without waiting for baseline cost and supply data to be available. A work group was formed to recommend criteria for designating and ranking CREZ to the SSC before its next meeting. Members volunteering for this work group include: Gary Allen, Dariush Shirmohammadi, Robert Jenkins, Tandy McMannes, Duane Marti and Mike DeAngelis. CEERT facilitators will convene this group via teleconference in November. (Action Item #3)

SSC Expansion

After discussion, the committee decided to add three members: Independent Energy Producers, to strengthen the representation of generators of all renewable technologies; a representative of the US military; and the Regional Council of Rural Counties, to expand the representation of local jurisdictions. (Action Item #5)

SSC Chair and Vice Chair

The Coordinating Committee proposed that the SSC select a Chair and Vice Chair, to lead both SSC and PSG meetings, and to serve as lead spokespeople for RETI. A majority of members said they felt this unnecessary, and expressed satisfaction with having meetings run by CEERT facilitators. Carl Zichella offered that SSC members could take turns running PSG meetings, if there were advantage in that, and volunteered to chair the next PSG meeting. Olsen will circulate a description of the potential responsibilities of an SSC Chair/Vice Chair, and the SSC will decide whether or not to select such officers at its next meeting.

Next Meeting

The next meeting will be Monday, December 17, 2007, 10:00 AM-3:00 PM, at the CPUC in San Francisco. Members may alternatively attend the meeting via videoconference at the CPUC Los Angeles office. The **Agenda** will include:

- Review of mapping information on resource areas, existing transmission, locations of proposed generating projects, public lands corridors, environmental constraints.
- Review of CREZ programs in other states, including their approach to cost allocation and cost recovery.
- How queue issues affect RETI (item deferred from the agenda of the Oct. 29 meeting)
- Discussion of RETI outcomes identified by SSC members (Assignment #2 below)
- CREZ designation and evaluation criteria: report of the Criteria Work Group and discussion
- Consultant Phase 1 work plan
- Decision on selection of SSC Chair and Vice Chair

Videoconference facilities are also available at the CEC in Sacramento, at SCE in Rosemead, and SDG&E in San Diego. Videoconferencing works well with two locations, but is much more difficult to follow with a third location added. The committee will decide how and when to employ videoconferencing for subsequent meetings.

The meeting was adjourned at 3:10 PM.

Appendix A: October 29 meeting attendees

SSC members:

CAISO	Julie Gill
NCPA	Jim Pope
PG&E	Kevin Dasso
PG&E	Robert Jenkins (for Frank De Rosa)
SDG&E	Laura Manz
SDG&E	Jan Strack (for Linda Brown)
SCE	Gary Tarplee
SCE	Gary Allen
SMUD	Mike DeAngelis
SCPPA	LeeAnn Uhler
Biomass	Gregg Morris
CSP	Tandy McMannes
Geothermal	Jim Lovekin
Wind	Darius Shirmohammadi
Sierra Club	Carl Zichella
DRA	Don Smith (for Beth Moore)
BLM	Duane Marti (for Jim Abbott)

USFS	Mike Chapel
Counties	Andy Horne
CPUC	Anne Gillette
CEC	Clare Laufenberg Gallardo

Not Present

IID	Juan Carlos Sandoval
LADWP	Mohammed Beshir
NRDC	Johanna Wald

Coordinating Committee members attending:

CPUC	Traci Bone
CEC	Chuck Najarian
CAISO	Robin Smutny-Jones

Observers

Riverside	Michelle Kovacs
CEC	Jim Bartridge
	Don Kondoleon
RCRC	Kathy Manion

Facilitators

Rich Ferguson, Dave Olsen